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PSC GRANTS AN EMERGENCY, INTERIM RATE INCREASE TO CUT BANK GAS

The Montana Public Service Commission today granted an *emergency, interim rate increase* of about \$155,000 to Cut Bank Gas Company, *based on the company's alleged financial crisis and imminent bankruptcy*, if the increase were not approved immediately.

The monthly customer service charge was increased from \$7.55 per month to \$18.02 per month, while the gas commodity rate was decreased slightly from about \$7.80/Mcf to \$7.65/Mcf, effective April 1.

Commissioner Tom Schneider, D-Helena, whose PSC District includes Cut Bank, said, "We do not take this significant rate increase lightly. This extraordinary PSC action reflects the Commission's concern about the serious financial allegations by Cut Bank Gas. We are committed to ensure that safe, adequate and reliable service to customers is maintained while we process the rate case, receive expert testimony by the Montana Consumer Counsel and conduct a live public hearing in Cut Bank".

He stated further, "The Cut Bank Gas Company statements raise extremely serious questions about the ongoing financial and management capability to fulfill its responsibilities as a public utility. We are anxious to bring the entire case to a "head" as soon as practical. The public hearing in Cut Bank is currently scheduled for July 26, 2006. However, we have directed our staff to coordinate efforts to accelerate the public hearing process if possible and to consider an on-site joint audit with Consumer Counsel in advance of the testimony and public hearing".

"Customer protection is assured against any rates that are found to be excessive or unjustified in the PSC's final decision, since the *interim* rate increase is subject to **rebate** with interest to consumers", Schneider concluded.

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